

1220-4-8-.03

**GENERAL APPLICATION REQUIREMENT PROCEDURES FOR ALL  
COMPETING TELECOMMUNICATIONS SERVICE PROVIDERS - LOCAL  
SERVICE.**

(1) Any individual company or entity applying for a certificate of convenience and necessity under this Rule Chapter to provide competing local telecommunications services shall file a petition in accordance with the provisions of T.C.A. § 65-2-103 with the Executive Director of the Commission.

(2) Falsification or failure to disclose any required information in the petition for certification may be grounds for denial or revocation of any certificate.

Statutory Authority: TCA 65-2-103, 65-2-102

1220-4-8-.04

**APPLICATION AND CERTIFICATION REQUIREMENTS FOR COMPETING  
TELECOMMUNICATIONS SERVICE PROVIDERS - LOCAL SERVICE.**

(1) Petitions to obtain certificates to provide competing local telecommunication services shall include the following:

(a) Demonstration of the ability and willingness to adhere to all applicable Commission policies, rules and orders;

(b) Documentation of managerial, financial and technical ability to provide such services;

(c) The name of the service provider, the address of the corporate headquarters, and the names and addresses of the service provider's principal corporate officers;

(d) If different than above, the name and address of all officers and corporate officers located in Tennessee and the name(s) and address(es) of employee(s) responsible for Tennessee operations;

(e) Information about the structure of the business organization and, where applicable, a copy of any articles of incorporation, partnership agreement or by-laws of the service provider, and a copy of any license to do business in Tennessee;

(f) Repair and maintenance information including the name, address and telephone number of a Tennessee contact person responsible for and knowledgeable about the provider's operations;

(g) A list of other states where the provider is authorized to operate and a list of those states which have denied any requested authority;

(h) Such other information as the Commission may require;

(i) A description of the category and types of services to be offered, the facilities and arrangements to be made available to end users and/or carriers, where applicable, and the geographic areas in which the services shall be offered.

(2) After public notice and hearing, the Commission shall grant a certificate of convenience and necessity to a Competing Local Telecommunications Service Provider if, after examining the evidence presented, the Commission finds:

(a) The applicant possesses sufficient managerial, financial and technical abilities to provide the applied for services;

(b) The applicant has demonstrated that it will adhere to all applicable Commission policies, rules and orders.

**(3) Conditions of Certification**

**(a) Certificates awarded to Competing Local Telecommunications Service Providers shall designate those incumbent local exchange companies which serve those areas in which the competing provider intends to operate. If the competing provider wishes to expand into areas served by other incumbent providers, the competing provider must file a petition to modify the certificate. The Commission shall act upon that petition within sixty (60) days of filing.**

**(b) With entry into the local exchange communications markets in Tennessee comes basic obligations and responsibilities to serve the public interest. Therefore, all Competing Telecommunications Service Providers providing basic local exchange telephone service or its equivalent shall either directly or through arrangements with other carriers or companies:**

- 1. Provide access to 911 and E 911 emergency service;**
- 2. Provide white page directory listings and directory assistance;**
- 3. Provide consumer access to and support for the Tennessee Relay Center in the same manner as Incumbent local exchange telephone companies;**
- 4. Provide free blocking service for 900, 976 type services in accordance with Commission policy;**
- 5. Provide Lifeline and Link-up services to qualifying citizens of this state;**
- 6. Provide educational discounts in existence as of June 6, 1995;**

**(c) All telecommunications service providers certified pursuant to this rule shall at a minimum be required to:**

- 1. Provide support for universal service in a manner determined by the Commission. This requirement shall not be construed as prohibiting the granting of a certificate before the universal service issues are determined by the Commission;**
- 2. Provide interconnection with other certificated carriers or Commission authorized carriers on a non-discriminatory basis under reasonable terms and conditions;**
- 3. Comply with Commission basic service standards as defined in any applicable rules and decisions of the Commission;**
- 4. Provide equal access to authorized inter- and intraLATA long distance providers, unless otherwise exempted by the Commission.**

**Statutory Authority: TCA 65-2-102, 65-4-201, 65-4-204, 65-5-201, 65-5-202, 65-5-203, 65-4-104, 65-4-106, 65-5-207, Chapter 408 of Public Acts of 1995.**

**1220-4-8-.05 ABANDONMENT OR TRANSFER OF A CERTIFICATE**

**(1) Abandonment of a certificate. Any Local Telecommunications Service Provider, except a Telecommunications Service Provider with carrier of last resort obligations, which plans to discontinue providing all local services under its certificate in any or all local calling areas shall file formal notification with the Commission and all its affected customers by direct mail ninety (90) days in advance of the last anticipated day of service.**

**(2) Transfer of a certificate. The transfer of a certificate or any services by any Local Telecommunications Services Provider shall be approved by the Commission so long as the new provider meets the requirement of TCA § 65-4-201 (c). The Commission shall render a decision regarding the**

transfer of the certificate, whether in whole or in part, within sixty (60) days of the filing date of the petition to transfer. If the Commission determines, based on the information presented, that the recipient is financially and technically capable of providing the service, and will adhere to all applicable Commission rules, policies and orders, the Commission shall approve the transfer of the certificate.

Statutory Authority: TCA 65-4-113, 65-4-114, 65-4-201

**1220-4-8-.06 INSPECTION FEES FOR COMPETING TELECOMMUNICATIONS SERVICE PROVIDERS**

(1) All Competing Telecommunications Service Providers shall be subject to the provisions of T.C.A., Title 65, Chapter 4, Part 3, and shall pay any fees required by that part.

Statutory Authority: TCA 65-4-301

**1220-4-8-.07 TARIFF AND PRICING REQUIREMENTS FOR COMPETING LOCAL TELECOMMUNICATIONS SERVICE PROVIDERS - LOCAL SERVICE.**

(1) **Tariff Requirements**

(a) Competing Telecommunications Service Providers providing local service unless otherwise exempted by the Commission from these requirements at the time of certification, shall be required to comply with the following:

1. File informational tariffs describing all offered services;
2. File lists of individual service prices or a price range with the highest price listed to be no greater than 25% above the lowest price in the range for all services offered;
3. File tariffs for any interconnection arrangements entered into as described in Rule 1220-4-8-.10.

(b) Any tariff filed under this rule sub-section shall constitute notice to customers of the terms and conditions under which the services shall be provided, and shall be binding upon the providers subject to this Rule and their customers. Any such tariff shall be non-discriminatory.

(c) Tariffs and price lists for new services shall be effective on the tariff or price filing date as defined in this Rule Chapter.

(2) **Pricing**

(a) A price may be decreased at any time, if such decrease is within the range of prices for a service on file with the Commission.

(b) Price increases for all local services, that are within the range of prices for a service on file with the Commission, shall become effective thirty (30) days following notification by direct mail to affected customers or by publication of a notice for the increase in a newspaper of general circulation in the affected service area. New price increases that are not within such range shall not become effective until a new informational tariff is filed with the Commission.

(c) Withdrawal of a non-basic local service offering shall be permitted on thirty 30 days notice to the Commission, and on 30 days direct or public notification to customers.

(d) Withdrawal of a basic local service offering may be permitted after ninety (90) days prior notice to the Commission, and after sixty (60) days prior notice to individual customers by direct mail or by publication of a notice in a newspaper of general circulation in the affected service area. Any such withdrawal shall be approved by the Commission before implementation.

**(3) Special Contract Provisions**

(a) Special contracts and any tariffs for interconnection services shall comply with the provisions of Rule 1220-4-8-10.

(b) Special contracts with end users which are not unduly discriminatory shall be permitted. However, the Commission shall be notified of the existence of the contract upon execution, and shall be provided with a written summary of the contract provisions including a description of the services provided. The Commission shall make a copy of the summary available for inspection by any interested party. A copy of the contract shall be made available for Commission review upon request.

(c) Any special pricing package, contract, or discount shall be made available to any similarly situated customer satisfying the required terms and conditions of the special agreement upon request.

Statutory Authority: TCA 65-2-102, 65-5-201, 65-5-202, 65-5-203, 65-5-204, Chapter 408 of Public Acts of 1995

**1220-4-8-.08**

**REPORTING REQUIREMENTS FOR COMPETING TELECOMMUNICATIONS SERVICE PROVIDERS**

(1) Competing telecommunications service providers, subject to this Rule, shall file the following Tennessee specific reports, with the Commission, except that those providers offering a telecommunications resale service over the facilities of others shall not be required to file the reports required in sub-sections (c) and (d) of this Rule:

(a) Annual Service standards reports;

(b) Annual company income statements and balance sheets;

(c) Annual construction and acquisition reports as defined by the Commission and as deemed necessary to evaluate the general availability of service capabilities and offerings within the state;

(d) Annual report on the number of access lines served by county, subdivided by residential, single line business and multi-line business,

(e) Annual report on the number of actual customers served sub-divided into business and residential categories;

(f) Annual listings of service capabilities and service offerings provided on a non-facilities based and/or facilities based basis, whichever is applicable.

(2) The Commission may periodically request any additional reports necessary to enable it to meet its own reporting requirements to the General Assembly under Public Chapter 408 or in order to fulfill its regulatory function.

Statutory Authority: TCA 65-2-102, 65-3-106, 65-3-107, 65-3-108, 67-5-1303  
Chapter 408 of Public Acts of 1995

**CONSUMER COMPLAINTS, ANTI-COMPETITIVE COMPLAINTS, AND VIOLATIONS OF APPLICABLE STATE LAW AND COMMISSION RULES**

(1) All Competing Telecommunications Service Providers shall comply with Commission Rule 1220-4-2-.09, all applicable statutes, and Commission policies regarding customer complaints and provisions of this rule.

(2) Anti-competitive provisions.

(a) Upon filing of any decrease in a non-basic rate or establishment of a new non-basic service by a Incumbent Local Exchange Telephone Company, any interested party may file a complaint with the Commission alleging that this rate is priced below its long run incremental cost in violation of the provisions of these rules. The Commission shall require the Incumbent Local Exchange Telephone Company to file cost support justifying the challenged rate with an opportunity for the party challenging the rate to demonstrate that it violates the price floor requirements. The Commission shall allow the rate to go into effect but shall resolve the complaint within thirty days of its receipt, and may order the adjustment of the rate if found to be in violation of price floor requirements and thus anti-competitive.

(b) Upon the complaint of any interested party that any telecommunications service provider has violated any of the anti-competitive or discriminatory rate prohibitions found in applicable rules or statutes, the Commission shall investigate the complaint and may convene a contested case proceeding if such complaint is found to have merit. However, the complaining party must allege with specificity the action by the telecommunications service provider that appears to be in violation of said prohibitions or the complaint is subject to dismissal by the Commission.

(c) All incumbent local exchange telephone companies subject to price cap regulation shall be required to do the following:

1. Utilize consistent cost methods so that it does not apply different unit costs to network capabilities that are used to furnish monopoly services than it applies to those used to furnish competitive services;

2. Impute to its competing service(s) the tariffed rates for essential elements utilized by Competing Telecommunications Service Providers plus the total long run incremental costs of all other elements composing the Incumbent Local Exchange Telephone Company's competing service(s);

3. Adhere to all other anti-competitive provisions found in this Rule Chapter pertaining to the provision of non-discriminatory interconnection with other providers under reasonable terms and conditions, the compliance with price floor and cost imputation restrictions on the pricing of competitive services, and compliance with applicable tariff and special contract provisions.

(d) Any party, service provider, or consumer may file a discrimination claim with the Commission regarding any service or rate. Any similarly situated customer (individual or other provider) who is denied upon request the same contractual provisions or rate or service offered to other customers may file a complaint with the Commission for appropriate resolution. Such resolution may include imposition of a fine for willful violations.

(3) Violation of state law or the Commission's Rules applicable to providers certificated pursuant to this Rule Chapter may result in the imposition of fines or the revocation of the provider's certificate in accordance with the following procedure.

(a) If the Commission has cause to believe that any provider certificated pursuant to this Rule Chapter is in violation of a Commission Rule, applicable decision or state law; it shall notify the provider of the alleged violation and include copies of any documents supporting the alleged violation.

(b) The provider shall have thirty (30) days from receipt of the notice of violation to provide a written response to the Commission.

(c) If after receipt and review of the response it is found to be unsatisfactory, the Commission may issue a Show Cause Order pursuant to T.C.A. Section 65-2-106.

(d) After hearing and upon determination that a provider is in violation of a statute, Commission Rules or applicable decisions; the Commission may impose fines, revoke the provider's certificate or take any other appropriate action as authorized by law.

Statutory Authority: TCA 65-4-114, 65-4-115, 65-4-117, 65-2-106, 65-3-105, 65-4-120

1220-4-8-.10

#### **INTERCONNECTION, UNBUNDLING, AND NUMBER PORTABILITY FOR TELECOMMUNICATIONS SERVICE PROVIDERS.**

##### **(1) Interconnection and Unbundling**

(a) All Telecommunications Service Providers shall, to the extent that it is technically and financially feasible, be able to purchase desired features, functions, and services promptly, and on an unbundled and non-discriminatory basis from all other providers. Nothing in this Rule shall be construed to require a Local Telecommunications Service Provider to offer any unbundled network capability at a price lower than its long run incremental cost. Provided, however, that this rule shall not apply to any incumbent local exchange telephone company with less than 100,000 access lines unless it voluntarily enters into an interconnection agreement with another provider and/or applies for a certificate in another provider's service area.

(b) Any certificated competing local telecommunications service provider or incumbent local exchange telephone company is prohibited from entering into interconnection arrangements with any Telecommunications Service Provider, which is not authorized to provide telecommunications services by certificate, any prior tariff approval, or franchise approval by this Commission, unless the provider is otherwise exempt from Commission certification requirements pursuant to state or federal law.

(c) All Telecommunications Service Providers are required by the Commission to provide interconnection to their networks in a seamless and transparent manner to the customer at reasonable rates and under non-discriminatory terms and conditions.

(d) All Telecommunications Service Providers shall adopt and adhere to nationally accepted industry technical standards that promote network interoperability.

(e) Interconnections provided by Telecommunications Services Providers shall include access to loops, switches, signaling systems, network data bases (except for those necessary to provide vertical services), and other facilities necessary for originating and terminating calls or facilitating inter-operability where technically and financially feasible.

(f) Any Competing Telecommunications Service Provider shall be entitled to interconnect with any Incumbent Local Exchange Carrier on the same technical and physical basis as the Incumbent Local Exchange Carrier provides to itself. Competing Telecommunications Service Providers shall provide interconnection to all Local Telecommunications Service Providers on a basis which is technically and physically reasonable. Incumbent Local Exchange Companies shall not unreasonably provide access, extend credit or offer other terms and conditions on more favorable terms to an affiliate than is offered to non-affiliated providers. Specifically, Local Telecommunications Providers shall not do the following:

1. Discriminate against another provider by refusing or delaying access to the local exchange;
2. Refuse or delay interconnections or provide inferior connections to another provider;
3. Degrade the quality of access furnished to another provider;
4. Impair the speed, quality or efficiency of lines used by another provider;
5. Refuse or delay a request of another provider for information regarding the technical design, equipment capabilities and features, and geographic coverage of the local exchange network;
6. Refuse or delay interconnection or be unreasonable in connecting another provider to the local exchange whose product or service requires novel or specialized access requirements, provided that the provider requesting special service shall compensate the carrier furnishing the interconnection for the cost of meeting any novel or specialized access requirements;
7. Upon request, fail to fully disclose in a timely manner, all available information necessary for the design of equipment that shall meet the specifications for interconnection with the local exchange network;
8. Refuse or delay access by any person to another provider;
9. Require a potential purchaser of unbundled services or products for sale or lease to take an unwanted service, feature or function in order to obtain a desired service to the extent unbundling is technically and economically feasible;

(2) Interconnection Agreements

(a) Upon receipt of a bona fide request for an unbundled or interconnection service including interim number portability, the Local Telecommunications Service Provider shall promptly enter into negotiations to establish interconnection arrangements and prices. The Commission shall be notified when negotiations commence.

(b) All prices for interconnection services shall reflect, at a minimum, the underlying costs of the interconnection and shall not be discriminatory.

(c) The contracts reflecting the negotiated arrangements and prices shall be submitted to the Commission within thirty (30) days of the conclusion of the negotiations, and will be available for review by any interested party. The Commission reserves the right to review and modify, if necessary, any contract that appears to be non-compensatory or unreasonable, within sixty (60) days of filing with the Commission.

(d) Any participant may request Commission mediation during the course of the negotiations.

(e) If at any time, for any reason, a party believes that further attempts to negotiate would be futile or if negotiations cease, any affected party may petition the Commission for a hearing to establish tariffed prices and service arrangements for interconnection. The petition shall be accompanied by pre-filed testimony and documentation to support the petitioner's complaint and a request for a specific interconnection arrangement to be approved by the Commission. The party preparing the petition to the Commission shall serve a copy on the Local Telecommunications Service Provider on the same date that it is delivered to the Commission. Within fifteen (15) days of the filing of such a petition, the Local Telecommunications Service Provider will provide the Commission with appropriate cost information and evidence that they have attempted to comply with the provisions of this rule. The Commission shall hold a contested case proceeding within thirty (30) days of said petition and shall issue a Final Order within twenty (20) days of the proceeding.

(f) Subsequent requests for interconnection or unbundled services from similarly situated companies seeking similar arrangements shall be provided under the same contract prices, terms and conditions within thirty (30) days of the request for service, unless such arrangements are not technically or economically feasible.

(g) Parties denied interconnection or unbundled service may petition the Commission for a hearing. The party denying the service and claiming a service is not feasible shall bear the burden of proof to justify the denial of the service. The Commission shall follow the same timetable and procedure in deciding this petition as established in subsection (2e) of this rule.

(h) Nothing in this Rule shall require changes in mutually satisfactory and agreed upon interconnection arrangements entered into prior to the effective date of this Rule. However, any arrangements entered into between an Incumbent Local Exchange Company and a Competing Telecommunications Service Provider prior to the effective date of this rule will be available to any similarly situated company seeking similar arrangements.

(i) Local Telecommunications Service Providers shall be required to provide access to conduit, rights of way, and pole attachments on a negotiated basis where economically and technically feasible. If negotiations fail to conclude within ninety (90) days of the request for access, any affected party may petition the Commission for a hearing to resolve any disputes.

### **(3) Traffic Exchange - Inter-Company In-Kind Compensation**

(a) To expedite the introduction of local telephone service competition, it will be assumed that a balance will exist on traffic exchange for the first year of operation after carrier networks are interconnected (i.e. - no inter-company billing). After a sufficient period for data to be collected, but not less than one year, any company may petition the Commission to establish, following a contested case proceeding, reciprocal rates for terminating traffic in the same local calling area. Nothing herein shall be construed to prevent a company from seeking a rate that takes into consideration any imbalance that existed prior to the date of the order.

(b) For the purpose of determining local traffic exchange for interconnecting companies, the company with the geographically largest local exchange area will serve to determine local traffic, not to exceed the LATA.

(c) Any Incumbent Local Exchange Company providing access to other carriers through its tandem central offices will provide similar access to other carriers. Prices to provide this connection shall be based on total long run incremental cost.



**(4) Interconnection Tariffs**

(a) No later than January 10, 1997, the Commission shall determine a list of interconnection elements to be tariffed by all Local Telecommunications Service Providers. The providers shall have three (3) months from that date to submit proposed prices and appropriate cost support for the tariffs submitted to the Commission. As part of its deliberations, the Commission will consider the technical and financial arrangements necessary to afford co-carrier status to new Local Telecommunications Service Providers. The Commission may exempt any such elements governed by special contracts.

(b) Nothing in this Rule shall permit a Local Telecommunications Service Provider to offer any unbundled network capability at a price lower than its long run incremental cost.

(c) Increases in the rates for interconnection services provided by Incumbent Local Exchange Telephone Companies operating pursuant to a price regulation plan or otherwise subject to this rule shall be governed by the applicable provisions of this Rule Chapter.

**(5) Number Portability**

(a) All Local Telecommunications Service Providers shall be required to offer service provider portability as rapidly as possible, in accordance with national and industry guidelines.

(b) Until the date by which the Commission determines that final telecommunications number portability is technically feasible and must be made available, interim telecommunications number portability through remote call forwarding, direct inward dialing trunks, or other comparable arrangements, with as little impairment of functioning, quality, reliability and convenience as possible, shall be provided by all Local Telecommunications Service Providers. After the above-mentioned date, full compliance with final telecommunications number portability shall be required within ninety (90) days.

(c) Prices for the provision of the capabilities to provide interim number portability to other Local Telecommunications Service Providers shall be based on long run incremental costs.

(d) Competing Local Telecommunications Service Providers shall have access to local telephone numbering resources and assignments on equitable terms that are in accordance with adopted national assignment guidelines.

**(6) Use of Customer Proprietary Information**

(a) Providers of any local services are prohibited from the use of customer proprietary network information obtained from (unaffiliated) telecommunication service providers for any purpose other than for the provision and maintenance of such companies' end-user services.

Statutory Authority: TCA 65-2-102, 65-4-104, 65-4-117, Chapter 408 of Public Acts of 1995

12-25-95  
1358.4.H.11

## RESALE OF LOCAL SERVICES BY LOCAL TELECOMMUNICATIONS SERVICE PROVIDERS

(1) In order to facilitate competition in the local telecommunications market, all facility-based local telecommunications service providers are required to make any and all of their telecommunications service offerings available for resale in accordance with the provisions of this Rule Chapter.

(a) Resale service offerings are defined as bundled local services and shall be offered on a non-discriminatory basis.

(b) Resale service offerings shall be offered at a discount based upon avoidable cost of the Incumbent Local Exchange Telephone Company. Until otherwise determined by the Commission at the conclusion of a contested case proceeding, the Incumbent Local Exchange Telephone Company's avoided costs shall be presumed to be 25% of the tariffed retail rate.

(c) Competing Telecommunications Service Providers shall not be required to offer their services for resale; provided, however, the Commission, upon the application of any Telecommunications Service Provider, may require a Competing Telecommunications Service Provider to offer a specific service or services for resale on such rates, terms, and conditions as the Commission may prescribe, for good cause shown, which may include a finding that it is technically or financially unfeasible for the applicant to procure such service from an Incumbent Local Exchange Company.

(d) The service to be resold must be provided on the same basis (e.g. flat or usage based) and to the same category of customer (e.g. residential or business) as offered by the facilities-based provider.

(e) Complaints concerning anti-competitive behavior or discriminatory actions relative to resale requests or service quality of offerings filed against Local Telecommunications Service Providers shall be investigated and resolved expeditiously by the Commission and in accordance with applicable provisions of this Rule Chapter.

(f) The Local Telecommunications Service Provider shall make available to all providers requesting resale of their service(s) non-discriminatory listings in white page directories and directory assistance services.

(g) Incumbent Local Exchange Telephone Companies shall provide all elements of the wholesale network platform, including loop, switching, transport, access and switch-based vertical features. Incumbent Local Exchange Telephone Companies must also provide nondiscriminatory automated operational support mechanisms, including modified CABS billing systems, to facilitate purchase of all elements of the wholesale local network platform.

(2) Incumbent local exchange telephone companies may resell local telecommunications services within their existing service areas without obtaining an additional certificate or authorization.

(3) Telecommunications Service Providers shall be prohibited from jointly marketing resold Basic Local Exchange Service with interLATA services. This restriction shall remain in place until such time as all TSPs are permitted by federal, state, and local laws, regulations and rules to provide interLATA services. The term "jointly market" shall include any advertisement or marketing effort in which two or more products or services are provided or offered to a consumer, such efforts including without limitation, sales referrals, resale arrangements and sales agency arrangements.

Statutory Authority: TCA 65-2-102, 65-4-117, Chapter 408 of Public Acts of 1995

1220-4-8-12 (RESERVED FOR FUTURE USE)

**1220-4-8-13 ENHANCED 911 SERVICE REQUIREMENTS AFTER DEREGULATION**

(1) The purpose of this rule chapter is to provide specific rules for Incumbent Local Telecommunications Service Providers and Competing Local Telecommunications Service Providers to ensure the continuation of reliable and affordable Enhanced 911 Emergency Service after deregulation occurs as provided for in T.C.A. 7-86-101, et seq.

(2) For a period of four (4) years from June 6, 1995, the date of the Act, within each Emergency Communications District, the Incumbent Enhanced 911 Emergency Service Provider shall continue to offer Enhanced 911 service and shall:

(a) Provide an Enhanced 911 Tandem Central Office to:

1. Provide enhanced 911 trunks to each Public Service Answering Point (PSAP);
2. Deliver Automatic Number Identification (ANI) with each 911 call;
3. Provide Selective Routing to route 911 calls to the proper PSAP.

(b) Provide Automatic ECD Routing.

(c) Provide a Data Management System (DMS) to provide Automatic Location Identification (ALI) with each enhanced 911 call.

d) Offer Interconnection Agreements to all other Incumbent Local Telecommunications Service Providers, Competing Local Telecommunications Service Providers and Shared Tenant Service Providers which will provide for:

1. The connection of dedicated 911 Centralized Automatic Message Accounting (CAMA) trunks to the Enhanced 911 Tandem Central Office.
2. The acceptance of Automatic Number Identification (ANI) associated with the Enhanced 911 call.
3. The acceptance of the daily update of Automatic Location Identification (ALI) data base information by the DMS.
4. The assurance of confidentiality in the use of the ALI data base information so provided and stipulate such data base will be restricted to providing emergency response to in-progress Enhanced 911 calls.
5. Fair and equitable cost settlement agreements with each Service Provider referenced above based on the Incumbent Enhanced 911 Service Provider billing the ECD for the entire cost of the Enhanced 911 service as provided for in the tariffs.

(e) Provide an Enhanced 911 trouble reporting center for the reporting of all Enhanced 911 repair, maintenance, data base and technical problems by an ECD and be

responsible for determining and dispatching the trouble report to the appropriate Local Service Provider for correction.

(f) Maintain Enhanced Universal Emergency Number Service (E911) tariffs at the rate on file with the Commission consistent with price regulations and the requirements of the Telecommunications Reform Act of 1995.

(g) Bill, collect and remit the Enhanced 911 fees associated with its subscribers (including non-facilities based resellers) to the appropriate Emergency Communications District unless authorized by an Emergency Communications District to do otherwise on a customer specific basis; and to provide a mutually agreeable means of auditing the subscriber base by number and type by the Emergency Communications District auditor.

3) All other Incumbent Local Telecommunications Service Providers, Competing Local Telecommunications Service Providers and Shared Tenant Service Providers providing basic local exchange telephone service or its equivalent shall enter into Interconnection Agreements with the Incumbent Enhanced 911 Emergency Service Provider to provide Emergency 911 Service and shall:

(a) Provide dedicated CAMA trunks to the Incumbent Enhanced 911 Service Providers designated demarcation point in the network.

(b) Provide Automatic Number Identification (ANI) of the 911 caller with each 911 call.

(c) Provide Automatic ECD Routing.

(d) Provide an initial download and daily down-loads of existing subscribers, new subscribers, changes to subscribers information and the disconnection of existing subscribers to the Incumbent Enhanced 911 Service Providers DMS system.

(e) Bill, collect and remit the Enhanced 911 fees associated with its subscribers (including non-facilities based resellers) to the appropriate Emergency Communications District unless authorized by an Emergency Communications District to do otherwise on a customer specific basis; and to provide a mutually agreeable means of auditing the subscriber base by number and type by the Emergency Communications District auditor.

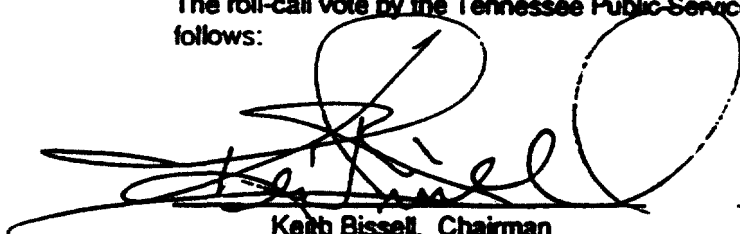
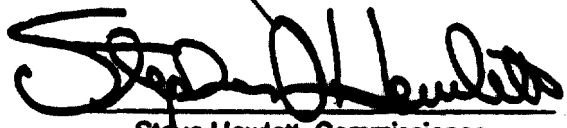

(f) Bill the ECD for its reasonable cost to provide E-911 Service to the District for its subscribers.

4) After June 6, 1999, the Incumbent Enhanced 911 Service Provider or the dominant Local Telecommunications Service Provider within an ECD territory shall be required to offer Enhanced 911 service as provided for in Paragraph D above to the ECD at a reasonable cost until such time as the Commission determines that an ECD has a minimum of two (2) or more Enhanced 911 Service Provider alternatives based on cost, service and support to choose Enhanced 911 service from within the ECD territory.

Signature of the agency officer or officers directly responsible for proposing and/or drafting these rules:

Edith Robinson

The roll-call vote by the Tennessee Public Service Commission on these rulemaking hearing rules was as follows:

	Aye	No	Abstain
 Keith Bissell, Chairman	<u>          </u>	<u>  ✓  </u>	<u>          </u>
 Steve Hewlett, Commissioner	<u>  ✓  </u>	<u>          </u>	<u>          </u>
 Sara Kyle, Commissioner	<u>  ✓  </u>	<u>          </u>	<u>          </u>

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the Tennessee Public Service Commission on the \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_\_\_

Further, I certify that these rules are properly presented for filing, a notice of rulemaking hearing having been filed in the Department of State on the 30th day of June, 1994, and such notice of rulemaking hearing having been published in the July, 1994 issue of the Tennessee Administrative Register and such rulemaking hearing having been conducted pursuant thereto on the 6th of September, 1994.

Edith Robinson

Subscribed and sworn to before me this 29th day of December, 1995.

Matt Elliott  
Notary Public

My Commission expires on the 23rd day of March, 1996.

All rulemaking hearing rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to the legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

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Charles Burson  
Attorney General and Reporter

The rulemaking hearing rules set out herein were properly filed in the Department of State and will become effective on the \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

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Riley Darnell  
Secretary of State

By: \_\_\_\_\_

December 28, 1995

IN RE: Tennessee Public Service Commission Rules for  
Local Telecommunications Competition  
Docket No. 94-00184

**Dissent from the Action of the Majority  
Chairman Keith Bissell**

I am voting no on the Rules for Local Telecommunications Competition, as adopted by the Majority, even though there are many provisions that I believe will provide appropriate oversight mechanisms for the Commission, particularly with regard to the entry and pricing policies of new local service competitors. As my votes on various rule sections during the Commission Conference reflect, I agree with the decisions of my colleagues on many rule changes but take exception to their decisions on several issues. I will comment specifically only on three areas: Resale, Interconnection and Price Regulation for Incumbent Local Exchange Telecommunications Companies. The decisions of the Majority in these areas cause me the greatest concern.

**RESALE.** The rule adopted by the majority on the resale of local services will require incumbent local exchange companies to sell all of their services to competitors, competing local service companies and long distance companies, for 25% less than the LEC can offer the services to retail customers. A mandated discount of this scope and magnitude is unprecedented in actions of other regulatory commissions across the country. Many states have restricted resale to non-basic or usage priced services only and require no discount or minimum discounts. Mandating a discount of this amount on all services will relegate an existing local exchange company to that of a wholesale provider, unable to compete directly for local service customers. I do not believe that it is within the purview of this Commission to force the restructuring of regulated companies through the rule-making process.

The proponents of this wholesale/resale scheme point to the experience in the long distance markets where resale restrictions were removed from AT&T's service offerings with the advent of competition. They note that many competitors were able to enter the long distance business by simply aggregating traffic and purchasing services from AT&T's volume discount tariffs. They say that this action by the FCC "jump started" competition. These proponents, however, generally fail to point out that AT&T was never required to file special wholesale discount tariffs for the benefit of its competitors and that AT&T was able to sell its services, at the same rate as its competitors, directly to high volume retail customers.

In the local service market created by the 25% discount for resale, there will be no incentive for new competitors to make any communications infrastructure investments in the State of Tennessee. It will simply be more economical to purchase the services available from the local exchange company, put a new name on them, and resell them to customers. These companies will not need a Tennessee-based operation with Tennessee employees, because they will be able to easily solicit customers through out-of-state telemarketers, as they do for long distance today. Most importantly, the 25% discount contained in the rule, will cause competitors, who had planned to develop new networks in the state, to re-evaluate their capital and technology deployment plans for Tennessee and likely make those investments elsewhere.

The failure of Tennessee to attract new telecommunications infrastructure investments by competing local service providers will severely impede the development of Tennessee's portion of the National Information Infrastructure as well as the development of true local service competition. In the total resale local service market, which will occur with the 25% discount, consumers will be the losers, getting neither the benefits of new services nor the lower prices, promised by local service competition. Competitors will not have the equipment and infrastructure available to develop and offer new, innovative telecommunications services to consumers. The only services available will be those provided by the local exchange company. And, if all services are available to all competitors at the same price, there will be no incentive for them to lower prices to consumers, rather they will be inclined to charge a price only slightly lower than that of the local exchange company as a means of maximizing profits.

The original rules for local competition, adopted by this Commission in 1994, contained a prohibition on the resale of all non-usage based local services, unless expressly permitted by the Commission. I believe that the compromise between the 1994 prohibition and the 25% discount adopted by the majority, would be to require the local exchange company to offer a wholesale discount to competitors equal to avoided cost or 5%. This approach would facilitate the development of a local service resale market in the state without jeopardizing future infrastructure investment and technology deployment, service innovation and job development."

**INTERCONNECTION.** Section 8 of the 1994 Telecommunications Law states "(a) All Telecommunications Services Providers shall provide non-discriminatory interconnection to their public networks under reasonable terms and conditions; and all Telecommunications Services Providers shall, to the extent that it is technically and financially feasible, be provided desired features functions and services promptly, and on an unbundled and non-discriminatory basis from all other Telecommunications Services Providers." I believe that the provision, adopted by the Majority, which permits non-Incumbent Local Exchange Companies to provide lesser grades of interconnection to competitors and to offer more favorable terms and conditions to affiliates, may well conflict with this statute.

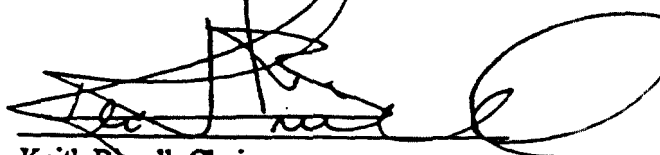


**PRICE REGULATION FOR INCUMBENT LOCAL EXCHANGE COMPANIES.** In the spring of 1994, the General Assembly passed the Telecommunications Law which, among other things, adopted a public policy for Tennessee that provides for a price regulation form of regulation for incumbent local exchange telephone companies operating in the state. The law specifically provides these companies with the option of electing this form of regulation and establishes procedures for setting initial prices and for future price adjustments.

What the statute does not do, is provide the Commission with the specific tools necessary to implement this public policy decision. The rules for price regulation, as proposed in the final draft prepared by the staff and rejected by the Majority, provide an important structure of indices and reports that would enable the Commission to meet its responsibilities to monitor and oversee compliance with the price caps and other pricing restraints in the law. They also outline the responsibilities of companies electing price regulation, including the requirement that they not charge below the authorized price floor, that they maintain their funded commitment to FYI Tennessee, work with the Commission to extend FYI technology into education, health care and economic development applications statewide, maintain current educational discounts, and waive installation charges for providing telecommunications services to schools and libraries for educational purposes. In addition, these rules outlined reasonable tariffing and reporting requirements for any incumbent local exchange company electing price regulation.

The Tennessee Court of Appeals has ruled that the Commission must use the rule-making process to implement policies of broad application. The adoption of the rules for price regulation is necessary to meet this requirement and provide for a consistent approach to implementation and administration of this policy for all companies. Even if such an approach was not required by the court, it is only reasonable to assume that incumbent local exchange companies, that one day may compete against one another, should be governed by the same set of rules.

The elimination of the rules for price regulation will seriously impede the Commission's ability to meet its responsibilities to the consumers of Tennessee to oversee the operations of the incumbent local exchange companies electing price regulation and ensure compliance with statutory requirements.



Keith Bissell, Chairman

**July 2, 1896**

The Commission understands that the implementation of all systems and processes necessary for offering resold local exchange service is a complex undertaking for all parties involved. As a result, I offer the following Motion which, if passed, has the effect of amending the time line relating to the implementation of electronic interfaces by BellSouth. AT&T identified during the course of this hearing several categories of electronic interfaces it was requesting. My Motion addresses certain aspects of some of those categories of interfaces. I move the following:

- A. AT&T and BellSouth are to establish by July 22, 1996 a joint Implementation Team to assure effective implementation of the electronic interfaces and compliance with the Commission's Order**
- B. With respect to the Pre-ordering category of electronic interfaces:**
- 1. Provide by September 15, 1996 as a part of the Phase I implementation, the LAN-to-LAN access to the Regional Street Address Guide.**
  - 2. Provide to AT&T by August 15, 1996 as a part of the Phase I implementation, the ability to transfer files of reserved telephone numbers via diskette.**
  - 3. Provide to AT&T by October 15, 1996 as a part of the Phase I implementation, the ability to electronically transfer files of reserved telephone numbers.**
  - 4. BellSouth is to provide to AT&T by August 15, 1996 the technical specifications and process for what BellSouth describes as Phase II interactive solution.**
  - 5. Provide to AT&T as a part of the Phase II implementation, BellSouth's proposed Phase II solution by December 31, 1996 but no later than March 1, 1997.**

Motion for Reconsideration in Docket No. 6352-U  
July 2, 1996

C. With respect to the Ordering category of electronic interfaces:

1. BellSouth is to provide AT&T its technical specifications and processes for interactive direct order entry by August 1, 1996. *Aug 15*
2. BellSouth is to make fully operational and available by December 15, 1996 the Electronic Data Interface capability for receipt and transmission of orders for services in BellSouth's General Subscriber Services and Private Line tariffs.
3. BellSouth is to implement an interactive direct order entry capability to be fully available by March 31, 1997

D. With respect to the electronic interfaces in the Maintenance and Trouble Reporting category:

1. BellSouth is to provide to AT&T by August 1, 1996 the technical specifications and process for TAFI interface.
2. BellSouth is to complete the TAFI enhancements to allow full operation of the required access by March 31, 1997.
3. AT&T and BellSouth are to include the necessary activities for electronic interfaces in the Joint Implementation Team discussed above.

E. With respect to the Daily Usage Data category of electronic interfaces:

1. BellSouth is to complete the work necessary so that it can provide unrated messages to AT&T by September 1, 1996.

F. Finally, orders shall be processed by BellSouth based on the time that the order was received by BellSouth, and not when the order was initially processed.

This concludes my motion.

*Joint monthly reports shall be provided to the Commission*

1 (Commissioners D. Baker, Barber, Wise, R.  
2 Baker and Durden present and voting.)

3 MR. EVANS: Item 16(c) is Docket Number 6677-U,  
4 New Horizons of God.

5 This is a church in East Point. It has had a  
6 Commission hearing and is in order and staff recommends  
7 approval of the permit.

8 CHAIRMAN D. BAKER: Comments or questions?  
9 (No response.)

10 CHAIRMAN D. BAKER: Any objection to approval?  
11 (No response.)

12 CHAIRMAN D. BAKER: No objection, it's approved.  
13 (Commissioners D. Baker, Barber, Wise, R.

14 Baker and Durden present and voting.)

15 MR. KNOWLES: Item 17 concerns Docket Number 6752-  
16 U, AT&T petition for the Commission to establish resale  
17 rules, rates, terms and conditions and the initial  
18 unbundling of services.

19 My understanding is that the Commission wanted to  
20 take up the consideration of the electronic interface today.  
21 There were three points raised by BellSouth. One was the  
22 level of the discount, one was the electronic interface and  
23 the other one was further definition of what services were  
24 subject to resale. And my understanding of what the  
25 Commission is taking up today will be the electronic

1 interface and that the other two would be reserved for a  
2 later time, to be ruled on at a later time.

3 CHAIRMAN D. BAKER: Mr. Knowles, let me ask you;  
4 is there any staff recommendation as to the implementation  
5 deadlines for the electronic interface?

6 MR. KNOWLES: The -- we would have the original  
7 recommendation which we made, which was that the companies  
8 get together and present a joint recommendation as to some  
9 type of an implementation. Now we do have responses from  
10 the two companies involved. AT&T and BellSouth, both of  
11 which indicate that they weren't able to achieve an  
12 agreement as of today, July 2. This one is dated June 28,  
13 so as of that date there was no agreement. We haven't taken  
14 a second look at it to see what might be reasonable in light  
15 of what additional information we might have.

16 CHAIRMAN D. BAKER: Barring agreement of the  
17 parties, I think it's within the Commission's discretion to  
18 impose implementation deadlines the same as or different  
19 from those contained in our original order in this matter.  
20 I'd be happy to entertain any motions.

21 COMMISSIONER R. BAKER: Well, Mr. Chairman, let me  
22 offer a motion for the Commission's consideration.

23 I've looked at the parties' request as far as the  
24 implementation of the electronic interface, and on a few of  
25 the issues, there's been agreement. On some aspects of the

1 interface implementation, there has been discrepancy of a  
2 month or several weeks between the parties.

3 What I could do, I've circulated a copy of the  
4 motion dealing just strictly with the electronic interface  
5 issue to the Commission. If you would like, I'll read that  
6 into the record, or if not, I'll just submit the motion to  
7 the court reporter and provide copies to anyone who's  
8 interested. If anyone has any questions, any Commissioner  
9 has any question about the motion I'm offering, I'll be  
10 happy to try to respond to their inquiries. But first let  
11 me submit the motion to the court reporter for inclusion.

12 (A document was proffered to the court reporter.)

13 COMMISSIONER R. BAKER: Let me just point out the  
14 parts where there was agreement between the parties. On  
15 subsection B.1. there was agreement between the parties  
16 dealing with -- to provide by September 15, '96 as part of  
17 the Phase 1 implementation the LAN-to-LAN access to the  
18 Regional Street Address Guide.

19 There was agreement on a couple other portions of  
20 this motion. B.2., there was agreement on B.2. And there  
21 was also agreement on E.1. subpart E.1.

22 There was disagreement on several of these  
23 provisions dealing just with the timing, such as for  
24 subsection B.4., AT&T was asking for a July 15th date;  
25 BellSouth was asking for September 30th. I put in there as

1 a compromise position, an August 1 date.

2 In a couple of instances where there was  
3 disagreement on the dates, that's what I would do, is try to  
4 work out some kind of reasonable compromise.

5 In addition to the motion I'm submitting, I think  
6 it also would be appropriate to incorporate a provision for  
7 recovery of the costs BellSouth may incur for this  
8 additional work it has to undergo, and also provide that  
9 those costs be recovered from the industry. And if we have  
10 to, we can set up a separate hearing on this matter to deal  
11 with just the cost recovery issue, at a later date, if there  
12 is a disagreement between the parties as to how much is fair  
13 and who should be making a contribution.

14 CHAIRMAN D. BAKER: Any comments or questions on  
15 Commissioner Baker's motion?

16 Let me ask you a question if I can. You have --  
17 we have five different categories -- pre-service ordering,  
18 service order processing, directory listing and line  
19 information, service trouble reporting and daily local usage  
20 data. In some or all of these categories, there had been a  
21 deadline of July 15 to provide -- for Bell to provide  
22 technical specifications. I understand your order to have  
23 pushed that back to August 1

24 COMMISSIONER R. BAKER: Correct.

25 CHAIRMAN D. BAKER: Now -- but as to any actual

1 work -- well, I mean, there's work involved in doing that,  
2 but any extra physical work that Bell needs to do as far as  
3 providing these interfaces, those have later deadlines.

4 COMMISSIONER R. BAKER: That's my understanding.

5 You have to understand that these negotiations  
6 between the parties have been going on since August of 1995.  
7 The electronic interface issue is very complicated. I'm not  
8 claiming I'm the expert in this area, I don't think anyone  
9 has a complete understanding except the engineers who are  
10 negotiating for the parties. What I'm trying to do is look  
11 at the positions of the two parties, see if there's some  
12 kind of -- see if they've been working toward some kind of a  
13 compromise. In many instances it appeared that they had  
14 been trying to work towards a compromise. And what I was  
15 trying to do is to mold together, as best I could, the  
16 various provisions submitted by each party and trying to  
17 work out some kind of a fair solution to their problems.  
18 I'd prefer that they work them out themselves, but that  
19 doesn't appear to be happening that fast.

20 CHAIRMAN D. BAKER: I agree with the tenor and  
21 tone and direction of your motion. I'm going to put this  
22 out as a friendly amendment if you want to accept it. If  
23 not, we can vote on it separately, and it's just this: As  
24 to the date for Bell providing the technical  
25 specifications -- and that applies to the categories of pre-



1 ordering, ordering of electronic interfaces -- and is that  
2 in any other categories?

3 COMMISSIONER R. BAKER: And the --

4 CHAIRMAN D. BAKER: And maintenance and trouble  
5 reporting.

6 COMMISSIONER R. BAKER: Right.

7 CHAIRMAN D. BAKER: Do we have that deadline in  
8 the others?

9 COMMISSIONER R. BAKER: I mean, you're going to be  
10 offering possibly an amendment to Sections B.4, C.1. and  
11 D.1. as far as the time for implementation?

12 CHAIRMAN D. BAKER: Yes. You know, were it not  
13 for the Olympics, I would say two weeks is another two  
14 weeks, but I just think with the Olympics going on, I don't  
15 know if that's going to -- how much extra time that's really  
16 going to give Bell to provide this data. I mean under any  
17 other normal circumstances, I would say well, it's an extra  
18 two weeks, but I just think with so much going on -- would  
19 you accept a friendly amendment if we were to extend that  
20 just another half a month on top of that and make it August  
21 15th?

22 COMMISSIONER R. BAKER: I don't have any problems  
23 with that. The important thing is for the parties to start  
24 moving ahead and begin the implementation of the interface.

25 CHAIRMAN D. BAKER: Which even with that, I think